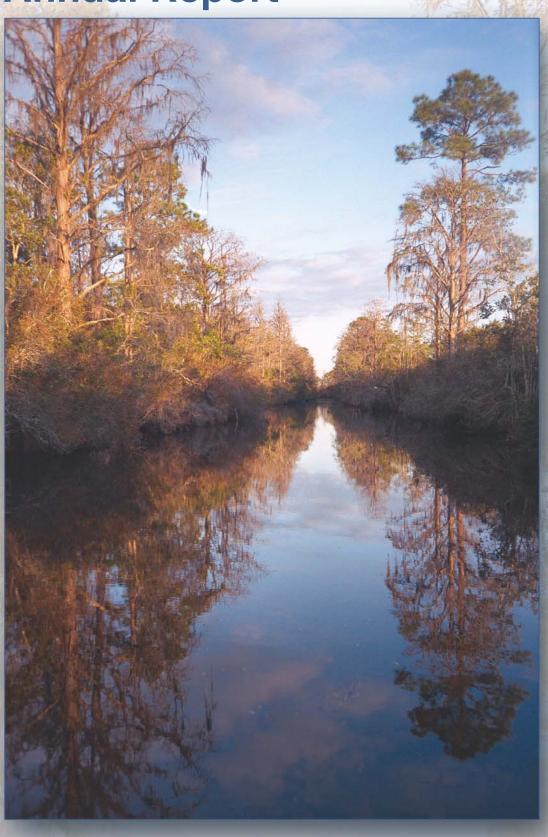


U.S. Environmental Protection Agency

Fiscal Year 2001 Annual Report



MISSION

The mission of the U.S. Environmental Protection Agency is to protect human health and to safeguard the natural environment—air, water, and land—upon which life depends.

EPA's purpose is to ensure that:

All Americans are protected from significant risks to human health and the environment where they live, learn and work.

National efforts to reduce environmental risk are based on the best available scientific information.

Federal laws protecting human health and the environment are enforced fairly and effectively.

Environmental protection is an integral consideration in U.S. policies concerning natural resources, human health, economic growth, energy, transportation, agriculture, industry, and international trade; and these factors are similarly considered in establishing environmental policy.

All parts of society—communities, individuals, business, state and local governments, tribal governments—have access to accurate information sufficient to effectively participate in managing human health and environmental risks.

Environmental protection contributes to making our communities and ecosystems diverse, sustainable and economically productive.

The United States plays a leadership role in working with other nations to protect the global environment.

STRATEGIC GOALS*

- 1. Clean Air
- 2. Clean and Safe Water
- 3. Safe Food
- 4. Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems
- 5. Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response
- 6. Reduction of Global and Cross-Border Environmental Risks
- 7. Expansion of Americans' Right to Know About Their Environment
- 8. Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems
- 9. A Credible Deterrent to Pollution and Greater Compliance with the Law
- 10. Effective Management
- * Reflects 1997 Strategic Plan goal language, under which FY 2001 performance was conducted. Goal language has since been updated.

MESSAGE FROM THE ADMINISTRATOR

I am pleased to provide the United States Environmental Protection Agency's FY 2001 Annual Report, which gives a comprehensive look at the Agency's program and financial performance for the past fiscal year. I believe the report will help Congress and the public assess the Agency's progress in protecting human health and the environment and using taxpayer dollars wisely.

I take pride in the achievements of the Agency in FY 2001. In particular, the Agency's leadership role in the aftermath of the September 11th terrorist attacks in New York City and at the Pentagon demonstrated the importance and effectiveness of our emergency response capabilities. We continue this work today, providing expertise on cleanup methods for hazardous materials and help with environmental monitoring at the site of the attacks and at locations affected by anthrax bioterrorism. In addition, EPA plays a vital role in the government-wide homeland security effort to prevent and prepare for future attacks by helping to improve our ability to respond to chemical and biological incidents and protect our water infrastructure.

In addition to these high-profile response efforts, the Agency continued its other core work to protect human health and the environment, and we have advanced these goals through effective management of the Agency and its resources. As a result, more citizens than ever before are enjoying the benefits of a cleaner environment.

Within the Agency, we are working to strengthen the use of environmental and performance information in annual and long-term planning and priority setting, focusing resources on areas of greatest concern and managing our work to achieve measurable results. Serving as the baseline for planning, a thorough review of our results helps us and our partners to determine where we are making progress and identify where we may need to adjust our strategies. My overall assessment of our FY 2001 performance is that we are on track to meet our longer-term goals and objectives, and that we are learning from both successes and challenges and making necessary adjustments.

Much of the progress described in the report is a direct result of contributions by our federal, state, local, and tribal partners. Ensuring strong and creative partnerships was a significant focus in FY 2001, and it continues to be a top priority. As a former Governor, I know the importance of providing opportunities for flexibility and innovation to solve local problems in addition to achieving national results. Toward this end, I will continue to support programs such as the brownfields redevelopment initiative, which has demonstrated that effective partnerships can result in both economic benefits and environmental results.

Later this year, the Agency will issue its first "State of the Environment" report, which will bring together a range of indicators to describe the condition of critical environmental and human health concerns nationwide. To some extent, this information will build on and complement the program performance and trend data presented in this report. In addition, the development of a broader set of indicators should help us to set better goals, establish more accurate baselines, communicate our results more effectively to the public, and, ultimately, provide for stronger protection of human health and the environment.

In closing, I would like to thank the American people for their continued support for achieving a cleaner environment. It is to the people that we are ultimately accountable, and I know that by working together, we are certain to accomplish our goal of cleaner air, purer water, and better protected land.

MAN APPOLECT

Christine Todd Whitman Administrator

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MESSAGE FROM THE CHIEF FINANCIAL OFFICER

EPA's consolidated Annual Report for FY 2001 presents a comprehensive picture of the Agency's environmental and financial performance. This format, which addresses a number of reporting requirements as allowed under the Reports Consolidation Act of 2000, brings together information on the Agency's use of public resources to solve environmental problems, and the results of environmental programs supported by those resources. Americans value a clean and safe environment and have the right to know how EPA uses taxpayer resources to help attain cleaner air, purer water, and safer land. EPA has combined its performance report with its audited financial statements to provide a full public accounting of the Agency's environmental and fiduciary activities for the year.

Readers of EPA's Annual Report for FY 2000 were especially generous with their suggestions for improvements we could make to future reports. Among our partners and stakeholders who took the time to provide feedback, I would like to thank, in particular, numerous representatives of state and tribal governments and our colleagues in the Executive and Legislative Branches. These reviewers and others gave us many specific recommendations to make our Annual Report more useful to the public, more descriptive of the results of our work, and more forceful in presenting environmental results as the fruit of partnerships across the country and across governments. As a result, this Annual Report better expresses the progress being made toward strategic goals and objectives, and contains many more links to internet web sites for readers seeking additional information on a wide variety of topics. We believe this Report describes in straightforward terms some of the principal environmental benefits that EPA-supported programs provide to the American public.

This year, while we are working on today's environmental problems and planning for those of the future, we will also be continuing our efforts to measure and describe results in ways that make sense to the public. We welcome your suggestions for how we can make our Annual Report for 2002 more interesting, informative, and useful to readers. We invite your comments via postal or electronic mail at the addresses provided on the last page of this Report.

Thank you for your interest in EPA's work and your support for the efforts of all government agencies, at federal, state, tribal, and local levels, to protect America's environment. At EPA, we are proud of our record of service to the American people and dedicated to achieving, with our many partners, even more positive results in the year to come.

Linda M. Combs Chief Financial Officer



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